

February 10, 2016

Chairman Daniel R. Elliott, III

Vice Chairman Deb Miller

Member Ann D. Begeman

Surface Transportation Board

395 E Street, S.W.

Washington, DC 20423-000

Dear Chairman Elliott and Surface Transportation Board Members,

I am writing you regarding Canadian Pacific Railway's proposal to acquire Norfolk Southern Corporation. As a small business owner who has had dealings with Canadian Pacific on the former Delaware and Hudson line in Hanover Township Pennsylvania, I would like to convey to you a story of how myself and my firm Northeast Cartage, LLC and Northeast Recycling Solutions were treated by CP and it's representatives.

We operate a regional municipal, commercial and residential recycling plant in Hanover Township PA on lands adjoining the former D&H Line. During the spring of 2011 we reached out to CP to inquire about having access to their line to ship some of our finished product to paper mills. They welcomed the opportunity and informed us that a new round of grant funding was opening up with PENNDOT under their RTAP (Rail Transportation Assistance Program) and they would include our project within their application as one of four projects on this line. We were informed that all engineering, site plans and local approvals would be our responsibility but they would be the Grantee. We would also be responsible for the 30% grant match. We agreed and proceeded developing the project with our own capital.

Throughout the course of development PENNDOT required the grantee to provide proof of meeting 5 (five) reporting requirements to the Bureau to ensure that project guidelines were being met, after which the formal grant would be awarded to begin construction. As deadlines came and went, CP would request extensions to be granted and PENNDOT would accommodate them. PENNDOT had approved over \$4M for their projects so it wanted to see the projects built.

By September of 2013 after repeated extensions, CP informed us to advertise our project for competitive bidding. We had a sense that with all of the extensions that were requested by CP over a 2 (two) year period that we should inquire with PENNDOT if it was acceptable to advertise the project. When we contacted PENNDOT we found out that CP had not been communicating with them in a timely manner and had in fact been given notice that the entire Grant had been rescinded and CP had been formally notified that they would be barred from applying or being approved for any grants for 3 (three) years.

CP showed total disregard for not only the customer and the loss of nearly \$100K in out of pocket money lost because of their negligence but they also exhibited a flagrant disrespect for the confidence that the Commonwealth of Pennsylvania put in CP's supposed intent to improve rail service in the Commonwealth.

The NS acquisition on the D&H Line came with an immediate campaign by them to reach out to customers and establish lines of communication with firms like ours. I have met with Operations and Service Support, Commercial Development and Short Line Development Managers all within a few weeks of their acquisition. Our project is now in their capable hands and they are working incessantly to develop new business on this line. Through my interactions with NS, I find that they exhibit every characteristic of a quality of service-oriented railroad to help us grow our business. We need a customer –centric, service oriented rail partner focused on growth and with the flexibility to think and act strategically.

To allow a CP acquisition of the NS would be the most regressive action to the health and viability of the customers in our corridor to date. You would be feeding CP's Robber baron mantra allowing the rail industry to fundamentally regress to its 19<sup>th</sup> century foundings.

Sincerely,

Frank Nockley, Jr.

Managing Member

Northeast Cartage, LLC

**Northeast Recycling Solutions**